

**AGREEMENT BETWEEN
THE U.S. SMALL BUSINESS ADMINISTRATION
AND
THE STATE AGENCY FOR SURPLUS PROPERTY
FOR THE STATE OF LOUISIANA**

I. PURPOSE:

This Memorandum of Agreement (MOA) is entered into between the U.S. Small Business Administration (SBA) and the State Agency for Surplus Property (SASP) for the State of Louisiana, to set forth the terms and conditions with respect to Federal surplus property which is transferred to 8(a) Business Development (BD) program Participants (Participants) pursuant to 15 U.S.C. § 636(j)(13)(F).

II. AUTHORITY:

The Small Business Act provides that eligible 8(a) BD program Participants are qualified to receive Federal surplus property. 15 U.S.C. § 636(j)(13)(F).

III. CONDITIONS:

- a. **USE:** Surplus property transferred to an 8(a) Participant is for the sole use and benefit of the Participant, and must be used in the conduct of the Participant's normal business operations. The property may not be sold, lent, leased, rented, bailed or otherwise transferred to any other person or entity, including affiliates, until one year after the Participant exits the 8(a) BD program. 15 U.S.C. § 636(j)(13)(F).
- b. **TITLE:** Conditional title to property obtained through this program passes to the 8(a) Participant upon receipt. This title becomes unconditional one year following the Participant's graduation from the 8(a) Program. During the period of conditional title, the Participant has custody of the property and is responsible for its use, maintenance, and security. Neither the SASP nor the SBA ever has title to the property.
- c. **DISPOSAL:** At any time during the first three years of the period of conditional title, the Participant may request to dispose of property obtained through this program by notifying the SBA District Office that the property is no longer needed, or is not in usable condition. Upon receiving this information, the SBA District Office informs the SASP of the facts and requests disposition instructions. After the first three years have passed, the SASP need not be asked for disposition instructions.

IV. THE SASP SHALL:

- a. ALLOCATION:** Be responsible for allocating property to Participants.
- b. VERIFICATION OF ELIGIBILITY:** Withhold any proposed surplus property transfer to a Participant until it receives written confirmation (including via electronic mail) from the servicing SBA District Office verifying that the Participant is an eligible Participant and the proposed use of the property is consistent with the Participant's normal business operations.
- c. FEES:** Collect such fees from Participants, as it deems necessary for transferring property in accordance with this MOA.
- d. RECORDS:** Maintain accurate records for three years on all property transferred to Participants.
- e. TRANSFER AGREEMENTS:** Enter into agreements with Participants to assure the Participants understand the terms, conditions and limitations applicable to property transferred.
- f. NOTIFICATION:** Forward to the servicing SBA District Office requisitions indicating that property has been transferred to a Participant.

V. THE SBA SHALL:

- a. EDUCATION:** Assist in educating Participants on the availability of surplus property, and the terms, conditions and limitations of use.
- b. VERIFICATION:** Upon receipt of a request from a Participant for surplus property, the SBA District Office will verify that the Participant is eligible and that the proposed use of the specific property is consistent with the Participant's business development plans, and communicate this verification to the SASP in writing (which includes via electronic mail.)
- c. COMPLIANCE:** Monitor Participant compliance with the terms and conditions under which property is transferred and takes appropriate action, when circumstances warrant, to recover property being used in violation of these terms and conditions. As part of the annual review, examine whether surplus property has been sold or otherwise disposed of. Notify the SASP if it believes that a Participant is not using or maintaining property in accordance with the terms, conditions, and limitations imposed by the SASP. Also notify the SASP if a Participant in possession of surplus property has exited the 8(a) BD program.

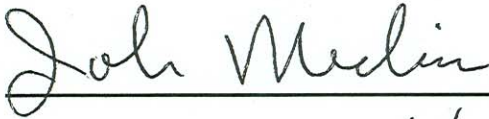
VI. TERM:

This MOA will take effect as soon as both the SBA and the State of Louisiana have signed it. It will remain in effect until July 1, 2007.

VII. AMENDMENT AND TERMINATION:

The parties may modify this MOA by written mutual consent. Either party may terminate this MOA, provided the other party receives thirty days (30) written notice, or as otherwise stipulated by law. This MOA shall not be interpreted as creating any binding legal obligations between the parties.

IN WITNESS THEREOF, the parties hereto have executed this agreement as of the last date written below.



John Medica, Date 8/9/04
Director
Federal Property
Louisiana Property Assistance Agency
Division of Administration
State of Louisiana

Allegra F. McCullough, Date
Associate Deputy Administrator for
Government Contracting and
Business Development
U.S. Small Business Administration